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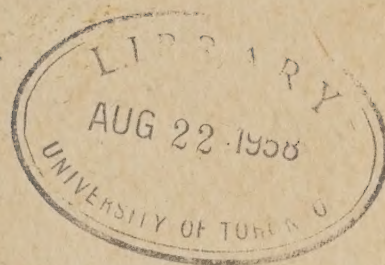
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J. ALLAN ROSS

Commissioner

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Miscellaneous documents



INTERVIEW WITH
MR. ALLAN DYMOND
CHIEF LAW CLERK AT
PARLIAMENT BUILDINGS.
September 15, 1922.

HYDRO-ELECTRIC INQUIRY COMMISSION

File No. 59cc.2 Date _____

IMPORTANT

KINDLY RETURN TO

36 KING STREET EAST, TORONTO

INTERVIEW WITH
MR. DYMOND,
Chief Law Clerk at
Parliament Buildings

Friday, September 15, 1922.

Chairman:

Mr. Dymond knows the Hydro legislation better than anyone else and, if he tells us all that he knows about it, we shall have a most interesting session.

Mr. Dymond:

The first Act was the Act of 1903. That was drawn by W. G. McWilliams. I think the Act was forced upon the Government by the opinion of a section of the municipalities fostered by Sir Adam Beck and Mr. Detweiler. Sir Adam was elected in 1902 and he immediately began scrutinizing very closely all private legislation. He was there during the last stage of the Jamieson controversy which was passed finally in 1904 and it was owing to his efforts that the Act was safeguarded as far as it was. The Act was drawn by M. G. McWilliams, under instructions from Sir John Gibson, who was connected with the Cataract Power Co. The Bill was defective, clumsy, badly drafted and it hampered the municipalities in every conceivable way. One way was that it stated that the Chief Justice was to appoint the Operating Commission. The Bill provided for a Commission of Inquiry to report on certain matters. If you look at that list of items you will see that they were to put the worst possible side before the public. I think there was a commission appointed - the Snyder Commission - but I do not know whether it was regularly appointed under that Act.

A. Ross:

No; it was simply a group of municipalities, who got together and said "We will see if we can get power from Niagara Niagara." and, after that, the thing was taken up by the Government.

Mr. Dymond:

I suppose they could not think of any other way by which an equitable arrangement could be made. The Chief Justice was to appoint them and fix their remuneration, although they were nominated by the municipalities. Then there were other matters that he was to pass upon. Matters that the present Chief Justice might know something about but no other Chief Justice would be likely to know anything about them - technical matters. It showed a lack of foresight in this respect that there was no way in which these various systems might grow up because each municipality would have its own Commission. Something like the latest radial legislation. There was no Act under which this scheme could be made to interchange service. In time this would have meant a hopeless state of things between these different schemes and the hopeless waste of money. They were forced to supply municipal corporations on the line of supply with any power that they do not need themselves but the Act proved absolutely unworkable. You cannot get

UNITED STATES
DEPARTMENT OF AGRICULTURE
BUREAU OF PLANT INDUSTRY
WASHINGTON, D. C.

January 10, 1914

My dear Sir: I have the honor to acknowledge the receipt of your letter of the 1st inst. and in reply to inform you that the same has been forwarded to the proper authorities for their consideration.

The first Act of Congress, passed in 1890, which provided for the establishment of the Bureau of Plant Industry, was a landmark in the history of our country. It was the first time that the Government had taken a direct interest in the plant industry of the United States. Since that time, the Bureau has grown steadily in size and importance, and it has been able to accomplish many valuable results. One of the most important of these results has been the introduction of new and improved plant varieties into this country. This has been done by the purchase of foreign varieties, by the collection of native varieties, and by the breeding of new varieties from existing ones. The result has been a great increase in the productivity of our plant industry, and this has been one of the most important factors in the development of our country.

I am, Sir, very respectfully,
Your obedient servant,
C. D. Coker,
Director.

I enclose herewith a copy of the report of the Committee on the Plant Industry of the United States, which was appointed by the Senate in 1902. This report contains a detailed account of the work of the Bureau of Plant Industry from 1902 to 1906, and it also contains many valuable suggestions for the improvement of the Bureau's work. I think you will find it very interesting and useful. I am, Sir, very respectfully,
Your obedient servant,
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municipalities together like that. It meant duplication. In the meantime, the Gainey investigation put the Ross Government out of office without anything being done in the matter.

Chairman: The Snyder Commission was a Royal Commission, was it not ?

R.A. Ross: The Snyder Commission was a purely voluntary arrangement between a group of municipalities, who raised an amount of Seven thousand dollars to do the whole thing.

Mr. Dymond: P. W. Ellis would know all about that Commission.

Chairman: Yes; he told us about it.

Mr. Dymond: I was not allowed to touch that Act. Sir John Gibson took care of it and W. G. McWilliams, a corporation lawyer, who was then in the pay of Mackenzie & Mann, and it was drawn up without much sympathy for the municipalities. He was Mackenzie & Mann's principle agent in putting through the railway legislation of 1892.

R.A. Ross: In that connection I have always understood that one of the Acts was put into Parliament on the basis of giving the Commission only regulatory powers but the Opposition destroyed the regulatory powers.

Mr. Dymond: Yes, that was right, but it was never presented in that form, although that was what they wanted. The Government refused to give the Hydro power to control prices. I heard Sir Adam, Mr. Ellis and some others talking, when they were in the mood of throwing up the whole thing. Sir Adam said "No, we will go ahead and get what we can and, if necessary, we will purchase power ourselves but he would never have got that power in 1906 if there had not been a strong conviction among the lobbyists that it would never amount to anything. They thought they could kill the scheme altogether. I heard the remark "Oh, ___ it, let him have his Bill; it will never amount to anything anyhow." That shows how the Act of 1906 got through at all. It was not for two or three years that they began to realize what they had done. They first did not think they could get power. Then their eyes were opened when the contract was made with the Ontario & Niagara Power Co.

Mr. Haney: The difficulty General Green had in organizing a Company for the transmission of the power - he had not sufficient funds at the time himself. He was the promoter of the Ontario Power Co. and he was organizing a Company himself at the time Beck made his Galt speech when he was a member of the Whitney Government without portfolio. He was organizing a Company to build transmission lines throughout Ontario. As soon as Beck made the announcement in Galt that the Government were going into the Hydro business and I called upon Whitney to ascertain if the Government was going into it in competition with private Companies. He said there was nothing to it. I said "Then you will have to throw

municipalities together like that. It meant amalgamation. In the meantime, the Bailey investigation put the Ross Government out of office without anything being done in the matter.

The Inquiry Commission was a Royal Commission, was it not?

The Inquiry Commission was a purely voluntary arrangement between a group of municipalities, who raised an amount of seven thousand dollars to do the whole thing.

P. W. Ellis would know all about that Commission.

Yes; he told us a good bit.

I was not allowed to touch that Act. Sir John Gibson took care of it and W. G. McWilliams, a corporation lawyer, who was then in the pay of MacKenzie & Mann, and it was drawn up without much sympathy for the municipalities. He was MacKenzie & Mann's principal agent in putting through the railway legislation of 1922.

In that connection I have always understood that one of the Acts was put into Parliament on the basis of giving the Commission only regulatory powers but the Opposition destroyed the regulatory powers.

Yes, that was right, but it was never presented in that form, although that was what they wanted. The Government refused to give the Hydro power to control prisons. I heard Sir Adam, Mr. Ellis and some others talking, when they were in the mood of throwing up the whole thing. Sir Adam said "No, we will go ahead and get what we can and, if necessary, we will purchase power ourselves but we would never have got that power in 1906 if there had not been a strong conviction among the lobbyists that it would never amount to anything. They thought they could kill the scheme altogether. I heard the remark "Oh, let him have his bill; it will never amount to anything anyhow. That shows how the Act of 1906 got through at all. It was not for two or three years that they began to realize what they had done. They first did not think they could get power. Then their eyes were opened when the contract was made with the Ontario & Niagara Power Co.

The Electricity General Green had in organizing a company for the transmission of the power - he had not sufficient funds at the time. He was the promoter of the Ontario Power Co. and he was organizing a company himself at the time. He made his bill ahead when he was a member of the Ontario Government without portfolio. He was organizing a company to build transmission lines throughout Ontario. As soon as Jack made the announcement in 1911 that the Government were going into the Hydro business and I called upon Bailey to ascertain if the Government was going into the business with private companies. He said that

Chairman:

R. A. Ross:

Mr. Dymond:

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Mr. Ross:

this man out of your Cabinet, because he is speaking ex-cathedra."b In view of the fact that Beck was a member of the Cabinet and had made this pronouncement, my idea was that Beck would force his policy upon them and he did.

Mr. Dymond: He was bitterly opposed by members of the Government and he has been bitterly opposed ever since. He had the support of Sir James Whitney, Mr. Ford and Colonel Menzies. He never had two more bitter opponents than Hanna and Ferguson and McGarry also.

Mr. Haney: McGarry was opposed to him on account of his financial methods.

Mr. Dymond: That was only an excuse.

R.A. Ross: It was the very natural opposition of Companies who expected to have a competitor. I can remember, when the thing was projected. The preliminary work I know nothing about; I came in when the contract was negotiated. The Premier would telephone to Sir Adam with some awful ghost story about Hanna coming directly from MacKenzie & Mann and things would be all upset. We would fix the Premier up for a few days and then the same thing would happen all over again.

Mr. Dymond: They had taken power in 1906 but they did not intend to give the Commission the right to develop it as they could not do anything without the authority of the Lieutenant-Governor-in-Council. When the Act was passed they did not realize that they had given power to develop and power to transmit, but those powers were given. I know that Sir Adam was backed almost continuously by Sir James Whitney. Sir James Whitney was sitting every Sunday morning with a certain eminent judicial official who was a loyal friend of Sir Adam Beck. He is a very public spirited man.

Chairman: His influence has been consistently helpful to Sir Adam Beck.

Mr. Dymond: The only time they fell out was when that same judicial authority drafted the Purchase Bill. That had to be done in 1906 and was to provide not only for the Niagara situation but for the whole Province. You could not have the Province pledged for the convenience of a few municipalities. It had to be a Provincial Commission. Then there was the idea of having a body that was not too large and at the same time strong enough. A Commission that could say "Whether we want to do this or not, we cannot because opposition is too strong." They made the Commission absolutely non-political so that pressure could not be brought to bear to put through bills or procure advantages for any particular section of the Province and the strength of that Act is in the constitution of the Commission and I have been trying for years to devise some scheme by which the municipalities could be represented on that Commission.

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H.A. Ross:

It was the very natural opposition of Conservatives who expected
to have a competitor. I can remember, when the thing was
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would telephone to Sir Adam with some early ghost story
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would be all right. We would fix the Premier up for a few
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Commission and I have been trying for years to develop some
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that Commission.

Chairman: Well, are they not ? Sir Adam speaks of himself in that way.

Mr. Dymond: Yes, but they have been agitating for some time for greater representation but there is no way by which that end can be secured, however desirable it may be.

Chairman: Why should they not each have votes in proportion to the amount of power that they take ?

Mr. Dymond: A fairer way would be to give them representation based upon the relation which the amount of power they take bears to the assessment of the municipality. How in the world are you going to give all these municipalities representation that would be satisfactory to them ? The large cities would outvote the rural districts. The smaller municipalities would not have a show. All the small municipalities in the Province, put together, do not take as much power as Toronto and Hamilton.

Chairman: I do not think anyone could satisfy them all but some scheme might be worked out that would be fair. Their ownership as worked out on the quantity of power that they take.

Mr. Dymond: What is most desired now and what has been the object for some years has been to make power available for the rural districts and I think if you put a scheme through which would put the voting power in the hands of the cities, the rural districts would not like it. I think it is very that a member of the Government, who is not a Minister, should sit on that Commission. Mr. McNaught was a member of the Legislature. There should be a member of the Legislature - who should be a lawyer preferably - a man of unusual legal knowledge.

Mr. Haney: Why ?

Mr. Dymond: It is not only a knowledge of law but a legal training gives a man a knowledge of other things. There is no one now in the Legislature who could put the needs of the Hydro before the House in the proper way. It would be difficult on account of the constant change in personnel but I am strongly of the opinion that one member of that Commission should be a lawyer and he could represent them before the House. Colonel Carmichael does it now but he is no speaker. Sir Adam did it at one time and, although he is not a lawyer, he is a good speaker.

Chairman: You would be in favor of municipal representation if some scheme could be found?

Mr. Dymond: No, I think they have all they need.

Chairman: But you would change the personnel ?

Mr. Dymond: That provision allowing a man who is a member of the House but not a Minister, should be repealed. He would be

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cutting holes in the independence of Parliament. The present system works well.

Chairman: But you have already told us that there has been perpetual conflict between the Commission and the Government. Can nothing be done to make the relations between the Government and the Hydro more harmonious?

Mr. Dymond: The most peaceful time was when Mr. Lucas was there. He was a lawyer and a peaceful man and the trouble was all underground - the public did not know anything about it.

Chairman: You think there should be a permanent official in the Parliament Buildings, who would keep in close touch with the Hydro and be able to act as an adviser to the Government. The Government is not fully informed.

Mr. Dymond: No, you are quite right there.

Mr. Harris: How can you keep them fully informed?

Mr. Dymond: The late Government was a very weak Government and I suppose the feeling was that there was no use in bothering and the Hydro established the habit. The last slogan I remember was "The Conservatives gave the Province Hydro." That was one of their political cries. The Commission was content to allow that. It is a one-man Commission as things are now. The dominating personality of Sir Adam Beck excludes _____. I have the greatest possible respect for Sir Adam but it is not right that a man, who is not a member of the Government, should occupy the position he does.

Chairman: Has not that brought about a state of affairs where it would be very difficult for any strong man to work with him at all?

Mr. Dymond: The men who work with him, day by day, find him all right and they are men with their own ideas and opinions - Mr. Acres and Mr. Gaby. You do not want to put a man on that Commission who is opposed to public ownership. He should have some enthusiasm for the work he is undertaking. If you get that kind of man he will have no trouble in working with Sir Adam. There was not a man more strongly convinced of his rightness than Mr. McNaught and he got along most affectionately with Sir Adam - but he was a public ownership man. If you put a man on who is constantly opposing and constantly trying to check and defeat every step forward that is made then you will have trouble, John Harris for instance. But put a man on the Commission, who is thoroughly sympathetic with the Commission - not with all their policies necessarily - but who believes in the Commission and in public ownership. But there should be a strong man on that Commission, who sits in the Government and can si

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Mr. Dymond:

in the House and can put the case properly before the Government. This business of having the Chairman of the Commission constantly interviewing the Government - as it is now - is a painful thing; bad for the Government and bad for the public.

Chairman: The Government does not choose the members. It has to take the men elected by the people.

Mr. Dymond: There are men in the Buildings now who are consulted in regard to Hydro matters - J. A. Ellis and Thompson.

Chairman: If the Government have not a man such as you describe what will they do? How can we remedy this? What would your recommendation be?

Mr. Dymond: My recommendation would be that a Minister of the Crown, strong enough to explain and strong enough personally to exercise his proper share in controlling the feelings of the Commission. There is one man in the Government who could do it - the Prime Minister himself.

J. A. Ross: Why should not the Chairman of the Commission be a member of the Government?

Chairman: He was nominated and the people turned him down.

Mr. Haney: The Commission really, in a sense, should be independent of political influence and, if the Chairman was a member of the Government, it would be difficult to separate the two.

J. A. Ross: How could the Chairman be a member of the Government without being amenable to political influence?

Mr. Dymond: I think it is deplorable that the present Chairman cannot _____. If he kept in close touch with the Government and they received him in that spirit and played fair about it, I think everything would be alright.

Chairman: That is the trouble; he does not treat them in that spirit.

Mr. Dymond: They are very largely to blame for that situation.

Mr. Haney: The blame is not all on one side. Was not the lack of confidence due, in part, to the submission of estimates?

Mr. Dymond: When they first came into office, there was a feeling of distrust and dislike manifested right from the start; worked up by a number of people whom it is not necessary to mention.

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J. A. Rees:

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Chairman:

Mr. Dymond:

Mr. Haney:

Mr. Dymond:

- Mr. Harris: Sir Adam has put the Premier in a very embarrassing position not once but a number of times. He forced the Government to adopt his policy in his speech at Galt.
- Mr. Dymond: The Government had passed that back in 1906.
- Mr. Harris: He made a speech before that Act was put on the Statute Books.
- Mr. Dymond: The Government knew what they were doing when they put that Act on the Statute Books. I drew the Act of 1916 myself and had my instructions for it. They asked me if legislation was necessary and I told them it was unwise to go ahead without the sanction of the Government. There was a clause in the contract with the Park Commission and the Park Company, under which the Commission undertook not to develop electrical power or energy in the park, except for their own purposes. Although the work would not have been in the park, it appeared to me to be a violation of the spirit of that section. The spirit of that section was that there should be no public competition with this Company in the development at the Falls. The Ontario-Niagara development was a violation of that spirit. We put a section at the end of the Act that they were not to be considered as developing in the park. It is unfair for the Government of the Province to enter into competition with private companies because the Government can get all the money it wants at 4%, while private Companies have to sell their bonds before they can get money to go on with.
- Mr. Haney: The statement made to the Government by the Hydro was to the effect that it would cost \$_____. They then increased that to \$13,000,000. That is why the Government started and they knew that but nothing more. Then they got into it and their ideas enlarged.
- Mr. Dymond: They enlarged the capacity of the Canal.
- Mr. Haney: No; they deepened it but the width is the same. They enlarged works that are tributary, such as power houses, etc.
- Chairman: In 1921 Colonel Carmichael stated that the amount voted then was sufficient to finish the work. They must have known then that it was \$10,000,000 short.
- Mr. Dymond: Engineers tell me that the work has not cost too much. It seems to me that it is going too far to expect the Commission, in a work of that kind, to make an accurate estimate. It must have been largely experimental.
- Mr. Haney: But it was not experimental.
- R.A.Ross: What would be the objection in considering the situation from another standpoint. Consider the Government as the banker of the municipalities, which it is today.

Place the Hydro in the hands of those who are responsible for it; in the hands of the municipalities.

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Mr. Harris:

The Government had passed that back in 1905.

Mr. Dymond:

He made a speech before that but was put on the statute books.

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But it was not experimental.

Mr. Haney:

What would be the objection in considering the situation from another standpoint. Consider the Government as the partner of the municipalities, which it is today.

B.A. Hoar:

- Mr. Dymond: To keep the Commission as it is you must have them appointed. You could never have a ~~satisfactory~~ elected Commission.
- Mr. Haney: In thirty years from now, when the property is paid for; when the Government is not the banker, it might be possible for the municipalities to take it over.
- Mr. Dymond: I believe the municipalities are quite willing now to take it over and assume the liability and relieve the Government.
- J.A. Ross: But they cannot get the money.
- Chairman: Mr. Ellis says it is impossible to get the municipalities to act together.
- Mr. Dymond: But supposing you did it as the Radial Act of 1914 - deposit the funds with a trustee (not with the Commission); that is a mistake. Issue the Bonds of the Commission
- Chairman: Would that be fair to the Government?
- Mr. Harris: You could not sell those securities unless they were guaranteed by the Government.
- Mr. Dymond: I do not think it matters much. The Province does not stand to lose much.
- Chairman: Of course it will. In the Nipigon System their deficit has to be taken care of by the Government.
- Mr. Harris: Suppose this is allowed to go on and the Province is made bankrupt. The Government would have to step in and say "We will help you out." They have done it before.
- Chairman: They could not pay their interest this year. They have not enough customers for their power.
- Mr. Dymond: No, but they will have. The reason for proceeding with the Nipigon works was to prevent them from falling into private hands.
- R.A. Ross: The Hydro was constituted to do a very simple thing - to buy power in bulk and sell it to people who had to have it. But, when they went into the development of power, they had to take all the additional risk that was not contemplated in the original scheme and, if they are going to go on, they have to have the powers that a company has to, in some way, fund its debt.
- Mr. Haney: The present Act provides for an annual adjustment.
- Mr. Harris: And they have to sell power at cost and cannot make a profit.

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appointed. You could never have a satisfactory elected
Commission.

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Dymond: You are looking at the situation only as it is at present. You have to look to the future. In 1910 when Sir Adam bought that _____ they only sold 725 h.p. Now they sell 725,000. It is a lack of statesmanship; a lack of foresight. In connection with the Hydro Radial and the waterfront deal people must look at the future.

A. Ross: When I first saw that contract and they said 100,000 h.p. I thought they were crazy. I thought about 30,000 h.p.

Dymond: Things grow in a way that no one could foresee. But if there had not been one man at least, with ability to foresee, there would have been no Hydro. If the Government is going to maintain control, a Minister of the Crown, properly informed, should be in the House and on the Commission and to put anyone else in would be to increase the difficulties and the friction that exists.

Harris: He would change each election.

Chairman: There is no man in the Government, now, with these qualifications, who could give the time to it.

Harris: Even if you did put a man in today, it would take him four years to master the whole story.

Dymond: Would your idea be to have a man who occupied some other position in the Government?

Chairman: No but I think some man in the Building, who is in close touch with everything that is going on.

Harris: If there was a big, broad-gauged man in the Parliament Buildings; if he could bring to the Government the proposals the Hydro want worked out and give suggestions himself -

Dymond: You might do this; the Government might have in its permanent employ an electrical engineer.

Harris: You do not want an electrical engineer, you want a different type of man altogether; one who has some idea of values and expenditures.

Chairman: A man like McNaught.

Dymond: The Government has its advisers. They have employed Clarkson for years.

Harris: That was a mighty good move. Clarkson was a mighty good man. He has mighty good vision on this thing and is not unfriendly to the Commission.

A. Ross: Is it not a fact that the Government could have had any information they wanted if they were determined to have it?

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R.A. Ross:

Mr. Dymond: Yes. I do not believe that information has ever been refused. There may have been mistakes but not intentional.

Mr. Harris: You know how Governments are run. Every minister has so much work on his hands that he cannot sit down and give thought to matters like this.

Mr. Dymond: This is the biggest piece of business the Government has to attend to.

Mr. Harris: I agree with you that you cannot get out and get all these municipalities. You have to get a master on the job. I think that is absolutely necessary. You must have a man whose ambition will not beat him. You do not want him to cover the earth. That is probably what Beck wants to do. This thing is going to cost us much more money than the Government ever anticipated.. This is caused by the statements handed them by Beck. His idea is to build up something that will use up more power.

Mr. Dymond: The Act of 1914 was not Sir Adam's Act. I drew that myself under instructions from the Government and was told not to let Sir Adam see it. It was drawn to prevent Hydro-Radials not to assist them. Sir Adam managed to beat them as he has always done. He took what he could get and went ahead and I did all I could to help him do it !!

Mr. Haney: With reference to the conflict between the Government and the Hydro, the difficulty seems to be that the Hydro did not volunteer the information the Government should have. The Government did not know what to ask for and they did not have full cooperation with the Hydro so that the Hydro would give them what they should have.

Mr. Dymond: The happiest solution would be for the Chairman to keep in close touch with the Head of the Government and be on perfectly friendly terms and working together and realizing each others difficulties and responsibilities - the Government to the people of the Province as a whole and the Hydro to the Government. If they were on the terms that Sir Adam and Sir James Whitney were, there would be no friction.

Mr. Haney: The impression of a great many people has been that the Hydro and Sir Adam were masters of their own undertaking and that the Government knew nothing about it and that the less they knew the better it would be.

Mr. Dymond: That is because the Government had not a single member who possessed a tithe of Sir Adam's ability. Now, you have a Government with a resolute man at the head and others who, while they lack experience, do not lack ability and there need not now be the attitude of actual hostility that seems to exist between the Chairman and the Premier.

Mr. Haney: It should not be ventilated in public.

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Mr. Dymond:

- Chairman: The other day Sir Adam went to Galt and, without a word to the Government that has to provide the money, he proposed that they build another Chippawa Canal and said it could be financed. That makes it difficult for him to get the confidence of the Government.
- Mr. Dymond: Yes and the other side make attacks upon him. I think they are both to blame. I do not think they have shown a proper spirit in dealing with each other. I have been in my office thirty-five years and I do not think anything has caused me more pain than to see two good men like them unable to get along together.
- Mr. Wegenast: You speak as if they were on a parity. Would it not be more correct to say that Sir Adam is showing a spirit of insubordination? Is he not preserving too large a degree of independence?
- Mr. Dymond: He has been forced into that attitude by the treatment he received from the predecessors of the present Government. He was surrounded with treachery and I think, if I were Sir Adam, I should not show nearly as much Christian spirit as he does.
- Mr. Wegenast: But, in turn, they have put up with it and have shown that they were not competent to step him.
- J. A. Ross: Why should not the Chairman be a member of the Government, whatever it may be?
- Chairman: He could not be unless he was elected by a particular party.
- Mr. Dymond: I would not advise any alteration in the present system. I think to put a man in the position government to advise them about Hydro matters would simply cause friction.
- R. A. Ross: There is one thing that they do need - what I would call a Comptroller. The Hydro should put in, at the beginning of the year, its budget and the Comptroller should be there to see that the estimates were properly made and not exceeded and not diverted.
- Mr. Dymond: What was done was this; when Sir Adam was in the House, he would prepare a statement - or his officials would - of the programme of the Commission for the coming year and it would be explained to the house; a lump appropriation made, so that there was not an appropriation for each separate work. He would say "We require so much for this and so much for that, making a total of so much" and that amount was voted. But, if they found they did not need \$500,000 for Eugenia but they needed more money for something else, they diverted it.
- R. A. Ross: But if they had had a Comptroller they could not have done that.
- Mr. Dymond: But there was no reason why they should not.

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. Ross: But they should know, from year to year what they expect to spend.

Dymond: That difficulty is provided for in McGarry's Bill of 1917 but the experience of the Government was that the Auditor of the Province is practically a Comptroller. You can have two kinds of Comptrollers - one hampering all the time, in a way that no business house would tolerate and you can have the man who does what he is told.

R. A. Ross: The man who hampered would be limiting their statements so that they could not throw from one thing into another and, when they reached the limit of their appropriation the Government would say "Stop" and they would have to go to the Government and get another appropriation.

Mr. Haney: Then the Government would have knowledge before the end of the year, before the money was expended, of the amount that was required over and above the amount appropriated.

Mr. Dymond: But that would keep the works unfinished and waiting for money. It is not fair to ask the Government to come down to the House and ask them to vote Two or Three Millions and then ask them to come down later on and spend Five or Six Millions. I do not think the Hydro has ever exceeded its estimates. I know, from my own personal knowledge, that to get Hal a Million from the Government, that had been voted by the House, is like pulling teeth. The Commission have been kept out of their money time and time again. They have had any amount of trouble. Money has frequently been voted and not handed over.

Chairman: We all agree, I think, that there should be more cooperation. Your system of having a strong member of the Government a member of the Hydro is open to objection because there may not be such a man in the Government. You object to a prominent official being in the Buildings and acting as adviser to the Government.

Mr. Dymond: That would make more friction. What you have to do is to bring the Commission into harmony with the Government as much as possible. I do not think there is any necessity for it. I do not see why two men cannot get along together if they are both gentlemen and try to get along.

Mr. Haney: Where you have a superior authority and a subordinate, the subordinate should not criticize, in ^{the} public press, the Prime Minister.

Mr. Dymond: I do not think he should criticize but I think he has a perfect right to defend his own honour.

Chairman: He made a statement, only the other day in the matter of the Esplanade, that it was due to Mr. Drury's action; that the thing would have gone through without any trouble at all but Mr. Drury had interfered.

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Mr. Dymond: He was not the only one who held that opinion.

Mr. Haney: On the last day of the session of 1919, under Hearst, I heard Sir Adam using pretty strong language about the treatment that certain legislation was receiving. I told him I thought it was too bad to show his hand until he was ready. As a result the legislation was put through without trouble, because the Government was told that Sir Adam would get up in his place on the floor of the House and tell the Government the truth and, if he had done so, Sir William Hearst and two or three members would have had to resign on the spot. He would not be a party to any further humbugging.

Chairman: No Premier could cooperate with a man like that.

Mr. Dymond: To take the thing out of politics would be to cut out the representation of the Government altogether. It was put there to give them a check on Sir Adam.

Mr. Haney: But they did not check him.

Mr. Dymond: No, but they annoyed him and worried him.

Chairman: But the Government must have control if it is going to guarantee bonds.

Mr. A. Ross: I cannot see why the thing cannot be turned over to the municipalities to handle the whole thing and leave the Government as their bankers to accept the bonds of the different municipalities as collateral.

Mr. Harris: The Government will not give their guarantee on the bonds without having some say.

Chairman: The Government would have its expert to pass on the securities and see if they were O.K.

Mr. Haney: I do not see how you can separate the Government from this proposition.

Chairman: The man who buys bonds is not represented on the Board of Directors of the enterprise in which he buys.

Mr. Haney: It depends on the value of the bonds that he buys. It is not unusual under forced circumstances, such as Nipigon, where a company needs additional money, for the company which furnishes the money to insist, not merely on having representation on the Board but upon having control of the company.

Chairman: That is the situation the Government is in today. While the Hydro buy the power, their expenditures are quite within reason but a situation arises where the Government have to come to the rescue and consequently they are entitled, not only to have representation, but to control the situation. I think

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they should have a Commission that would absolutely have their confidence and not make any moves without consulting them. You should have, in so far as you can, a continuous operation of the Commission - except by death or otherwise. You are projecting (?) by putting a member of the Government on that Commission, a man who will be removed when the Government is defeated. At the same time it should be recognized that the man is subordinate to the Government and any reflection on the Government of the day, made by any member of that Commission, would be tantamount to a dismissal.

Mr. Dymond: If Sir Adam consulted his own health and convenience and comfort he would resign. He is sticking to it to see the thing through. He has no personal ambition. It is one of the most successful enterprises in the world. It is a fact that everything the municipalities, through the Hydro, have asked for, has been given as grudgingly as possible. No. Government in this Province can claim the slightest credit for the work of the H.E.P.C., for they not only have been of no assistance but they have tried to thwart nearly every item of legislation, even of the most reasonable sort. I am not an unreasonable man but I have taken up propositions with the Government over and over again - not with this Government, because they do not consult me at all.

It is your impression that, in order to get anything, the Commission has to go with a big deputation and make a big fuss before they can get anything done.

Chairman: Do you not think that, when this money is all being put up by the Government, the municipality should be placed under a more direct obligation for it than they are now.

Mr. Dymond: They are now:

Chairman: Only in the way of power but it falls down sometimes.

Mr. Dymond: In the Niagara System they had their customers before they had power; in the Nipigon it was the opposite.

Mr. Haney: Someone has to discount the future on an expensive development.

Mr. Dymond: One thing that is going to make it awkward for any deputy to work is that there will be an outcry sooner or later for flat rates throughout the Province. It may be unreasonable but ____

Chairman: There is a great deal to be said on both sides.

R.A. Ross: It is a physical impossibility.

Mr. Dymond: A case related to me the other day - a municipality supplied by the Eugenia System; along comes another municipality quite close and gets power cheaper because it happens to be on the Niagara System.

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R.A. Ross: I have always felt that they should not have bought the Central Ontario System. We designed that System to reach from Kingston to Windsor, then to Ottawa; the plans would take the upper end of the Province. Those little plants are howling for power. The inevitable thing is that Niagara will go up there and they will merely float on the top and all these inequalities will be wiped out. Where did you ever find perfect satisfaction with anything human?

Mr. Dymond: Your view is the one that the public should be most impressed with. Castleman came to me last week about the rural distribution. He said "Here is a man that has enough power to supply a large municipality. He will give us a rate of \$17. while Hyaro wants \$35."

Chairman: I wish you could give us more help in the matter. I wish you would think it over and give us some suggestions to make conditions more workable than they are today. That is one of the things that this Commission has to deal with and we would welcome any help you can give us.

Mr. Dymond: I have thought a great deal about the constitution of the Commission and I am convinced that it would be better for no member of the Legislature to sit on the Commission unless you can get exactly the kind of man you need.

Mr. Harris: There would be no continuity to that.

Mr. Dymond: The Commission should be kept entirely out of politics. The attitude of the Government toward the Commission and of the Commission toward the Government should be one of the fullest cooperation and a recognition that the Commission is a Department of the Government.

Chairman: It represents all those municipalities; no other department of the Government does that.

Mr. Dymond: The thing I want to impress upon you is this. This thing is the result of conditions that were wrong in the first place being allowed to prevail under the Hearst Government. In Sir James Whitney's time it did not matter; they got along all right.

Chairman: It was largely a matter of personality.

Mr. Dymond: Yes and I do not see how you are going to alter the present situation unless these two men change their attitude and the longer it goes on the harder it will be.

Chairman: Suppose they do not change their attitude.

Mr. Dymond: They are both idealists; both men of some conviction and outlook and I do not understand why they do not get along.

Chairman: The Government has the power to remove. They removed Mr. Lucas and I suppose they could remove Sir Adam Beck.

R.A. Bees: I have always felt that they should not have bought the Central Ontario System. We designed that system to reach from Kingston to Windsor, then to Ottawa; the plans would take the upper end of the Province. Those little plants are no use for power. The inevitable thing is that Niagara will up there and they will merely float on the top and all these installations will be wiped out. Where did you ever find perfect satisfaction with anything human?

Mr. Dymond: Your view is the one that the public should be most impressed with. Gaslightman came to me last week about the rural electrification. He said there is a man that has enough power to supply a large municipality. He will give us a rate of \$15. While Hydro wants \$25.

Chairman: I wish you could give me more help in the matter. I wish you would think it over and give us some suggestions to make conditions more workable than they are today. That is one of the things that this Commission has to deal with and we would welcome any help you can give us.

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Mr. Dymond: The thing I want to impress upon you is this. This thing is the result of conditions that were wrong in the first place being allowed to prevail under the present Government. In Sir James Whitney's time it did not matter; they got along all right.

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- They do not dare.
- Mr. Haney: Is it not good practice to revamp the boat. I have always considered it wise to revamp every ten years.
- Mr. Dymond: The reason for it being inadvisable to make a change in the Chairmanship is that it still has danger places to pass through and you need a strong man and the Chairman is the man. It will not always need that.
- Mr. Haney: It will always need a man with conviction.
- Mr. Dymond: I know of no man in this country who could take Sir Adam Beck's place and hold it. I think it would be a terrible calamity.
- Mr. Harris: Sir Adam cannot live forever.
- Mr. Dymond: No and he is not in good health.
- Mr. Harris: He is not building up a man to take his place.
- Mr. Dymond: There is one man there.
- Chairman: You mean Mr. Gaby?
- Mr. Dymond: No; the other man - Mr. Acres. So far as wisdom goes, I think he is the man and you must have a man who can make speeches.
- Mr. Harris: The size of a man is generally demonstrated by his building up someone to take his place. Acres is a great engineer but he is not a great administrator.
- J. A. Ross: He lacks two great things - the physique and the personality.
- Mr. Dymond: He must have some physique to come through what he has in the last two years and carry the burden he has carried. There is one thing I want to correct in something that I said. I think I was mistaken ⁱⁿ what I said about the Ontario & Niagara Power Development. My recollection now is that the Ontario-Niagara Power Development Act in 1916 was passed for two reasons under my advice although the Government could have authorized them to proceed with that work without any legislation under the general powers of the Commission, the work was of such magnitude that I considered they should have extra authority and then there was that clause, the spirit of which would be violated by the construction of the work. The main reason Sir Adam wanted the power was to prevent ~~make~~ ^{make} available for the Commission as soon as possible what water was remaining there because, under the International Waterways Commission, there was 36,000 feet and the reason he bought out the Ontario-Niagara Power Co. (Mr. Albright wanted to sell it anyway) was that they wanted to prevent the construction of that third pipe which would have taken that available water.

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Mr. Harris:

J. A. Ross:

Mr. Dymond:

- Mr. Haney: Did not that Act throw the development on the municipalities rather than on the Government ?
- Mr. Dymond: The Act of 1917 contained an amendment for that purpose.
- Mr. Haney: So that, while the Government was responsible, they switched the responsibility on the municipalities.
- Mr. Dymond: The municipalities asked for it, you know, and the time is coming when they will scrap this because the people of this Province are not going to see power going to waste and half the power of the Falls is going to waste now on account of the head and the Province is not going to see 150 feet head where they should see 300 feet. I was going to call attention to the section at the end of the Act of 1903 which showed one thing which makes a lot of trouble between Sir Adam and the Government is the language used by the Government's supporters towards Sir Adam. If some of their statements were repeated they would be libellous. I have heard language used toward him by members of the House -- I have heard them bragging that they had him on the skids -- had him going. If language of that sort is used and encouraged, you cannot wonder at lack of harmony. The Act of 1903 -- that is where the sting of this Act is "Nothing in this Act contains anything etc."
- Chairman: There is a feeling on the part of a great many that the Hydro ruthlessly use that power.
- Mr. Dymond: There are generally two sides to that sort of story and I want to go on record as being testotally opposed to putting Companies out of business in that way. They build up the business and they do the experimental work and get a market for the power and to put them out of business by unfair competition is a wrong thing to do.
- Mr. Harris: The Hydro must be a monopoly or it could never exist.
- Mr. Dymond: Yes, but the same thing existed in England where they bought out the Telegraph Companies. Back of Sir Adam Beck is the spirit of this country -- to get something for nothing. This newspaper talk is the most absurd and wicked thing.
- Mr. Harris: Sir Adam should not take his policy from the people.
- Mr. Dymond: I know nothing about his policy.
- Mr. Wegenast: It is understood that, in connection with the wiring of lines for the transmission lines, the Commission is ruthless in dealing with the farmers.
- Mr. Dymond: The principle they go on is the same. The right of way man, who does that work, was appointed by the Commission on the recommendation of the Chief Justice of Ontario.

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Mr. Dymond:

Mr. Wegenast: So the popular idea is wrong in that respect.

Mr. Dymond: Absolutely !

Mr. Wegenast: There are great differences in the amounts paid different farmers for rights of way.

Mr. Dymond: I know the method they pursue is the same as pursued by railways. One gentleman refused to sign an Order-in-Council until he got his price for the land the Hydro Radial was to go through.

Chairman: You were going to give us this legislation and we have only got as far as 1906.

Mr. Dymond: The first thing was to provide for the rural lines.

Chairman: Had they not the right to do that under the original act ?

Mr. Dymond: Yes, on the township work the distribution was done by the Commission to save the municipalities from setting up machinery of their own but that work was sectional; then it extended to the zone system and I know that the object of the Commission has been for years to increase the rural consumption and to work it out into the townships as much as possible. There is one thing they have undertaken since the Act was originally passed and that is the regulation of the inspection of electrical installations. It was not being done efficiently even in the large cities. The trouble with the present system is that that branch should be cut loose from the Hydro; they should not be making inspections of the installations of their rivals and competitors.

Mr. Wegenast: Is it right that the Hydro should regulate the rates of its rivals ?

Mr. Dymond: It does not; that is a power the Government has always refused to give them.

R.A. Ross: I thought they acquired that under this recent legislation.

Mr. Dymond: No, only for their own customers.

R.A. Ross: Take a private user, who might apply to the Hydro for a decision on rates; could they not quote a rate the same as the Railway Board does ?

Mr. Dymond: There is no tribunal. They only rule for their own customers. It does not look right that the Commission should do the inspecting of the installations of its competitors. If you took that branch away from the Hydro and kept it functioning but not under the name of the Hydro, it would look much better. One man came to me and said he had put a lot of electrical appliances on his farm and that the Hydro came along to inspect the installation and ordered changes to be made that involved considerable expense.

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R. A. Ross: For the protection of the man himself.

Mr. Dymond: Yes, but you can imagine how annoying that would be. would it not be better to have a local man.

R.A.Ross: They have.

Mr. Haney: They charge no more to inspect a house two hundred miles from Toronto than in Toronto itself. It is a flat rate.

Mr. Dymond: I think it would be more satisfactory if the Hydro gave up that particular branch to another body.

Chairman: The Department is supported by the Government. Last year they had a deficit of \$29,000.

Mr. Dymond: They have men there to do the work but there is a feeling that they should not be inspecting the work.

R.A.Ross: It will decrease as time goes on. It would look better to have it separate. Undoubtedly, at the same time, it would cost a good deal more because the Hydro must have its own inspection system and they do the other at the same time.

Mr. Dymond: Yes, I am only speaking of the complaints I have heard the members make.

Mr. Harris: This deficit was on a total business of \$212,000. and we suggested that they raise their rates so that it would cover the expense of operating.

Mr. Dymond: One thing that must be borne in mind; the Government, last session produced an Act, which was not passed, called an "Act Respecting Water Rights" and, as it stands, there would be endless conflict between the Government and the mining men. The trouble now is between the timber men and the Power Commission. The big steps are the attempts made to increase rural consumption, extending the work into the townships and the purchase of the Central Ontario System. The Central Ontario System was not bought by the Hydro; the terms were not approved by Sir Adam Beck originally, although afterward, I think, he gave some grudging consent to the bargain as it was carried out. It was stated that Sir Adam has approved of \$7,000,000 of ten year bonds, whereas the Government had approved of \$7,000,000 of _____ bonds.

Chairman: Why did they buy it at all?

Mr. Dymond: Because the owners of the System wanted to sell, I suppose. The Government would not let the Hydro into Central Ontario and I suppose the pressure was getting too strong to withstand and I suppose the Government said "If you fellows are wise you will sell out and we will buy you out".

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will pay you out."

Mr. Harris: Is it not a fact that the municipalities involved in that System refused to go into the Hydro and take over that junk.

Mr. Dymond: I do not think there has been any refusal on the part of the municipalities to go in.

Chairman: The Hydro could not have bought Peterboro's power --

Mr. Dymond: They did buy it. The Government bought it. The Act was drawn between Strachan Johnston and the Government. As an instance of what the Hydro can do; they took a pulp mill at Campbellford that was not turning out any pulp. Sir Adam was able to get \$200,000 from the Government and for many months, while the boom was on in pulp, that pulp mill was making a net profit, monthly, of over \$50,000. The only item that was not paying, a short time ago, was some gas company at Cobourg and the Radial Railway at Peterboro.

Chairman: Why could not the Hydro have gone into Central Ontario and bought the plants one by one?

Mr. Dymond: The Government would not let them.

Chairman: You think the Government stood in the way and prevented them? Otherwise they would have gone in?

Mr. Dymond: Certainly; the Government stood between them and the Seymour Power Co.

Chairman: Why did they do that?

Mr. Dymond: They did it for political reasons probably.

Chairman: Mr. Dymond, we were very much interested in your remarks and, if you can solve that problem for us we would be obliged.

Mr. Dymond: That is a matter that must be left to the good sense of the Government. I do think if you could get a man - a member of the House - a man with a sufficiently strong personality, it would be a good thing. The first thing to be done is for those two men to get together.

Chairman: If they will not?

Mr. Dymond: They can dismiss Sir Adam if they want to.

The Meeting then terminated.

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